

191540

|||||PITTSTON

David H. Everest, Jr.
President
Direct dial (540)889-6273

Pittston Coal Sales Corp.
448 N.E. Main Street
P.O. Box 6300
Lebanon, Virginia 24266
Tel: (540)889-6300
Fax: (540)889-6277

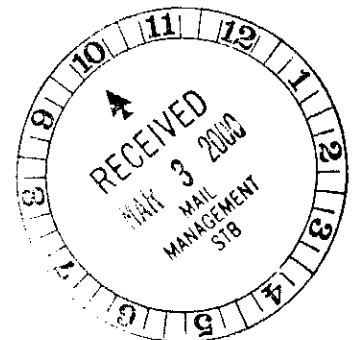
VIA FEDERAL EXPRESS

March 2, 2000

ENTERED
Office of the Secretary

MAR 03 2000

Part of
Public Record



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D. C. 20423

Re: STB Ex Parte No. 582
Opposition to BNSF-CN Merger

Dear Secretary Williams:

I am David Everest, President of Pittston Coal Sales Corp., and in this position, I was responsible for the sales and rail shipment of approximately 13 million tons of coal in 1999 at a cost in excess of \$150,000,000 in rail revenues. Since our coal production comes from the Appalachian coal fields, Pittston's rail shipments are generally handled by either the NS or the CSX Railroads. I oppose the BNSF-CN merger due to my concerns related to the unintended consequences of this merger, as well as a continued lack of service and the prospect of a loss of business and jobs in the future if this merger is permitted to take place.

As to the unintended consequences, I am concerned that a BNSF-CN merger will force the other major Canadian railroads to find a U.S. partner, reducing the number of major railroads in North America (U.S. and Canada) from six (6) to four (4). Given this reduction, the logical further consequence would be that one of the western U.S. railroads would then be forced to acquire an eastern U.S. railroad (NS or CSX), thus forcing the remaining western and eastern railroad to combine, fully eliminating all competition in the future, leaving us to two (2) railroads to serve all of the North American continent.

March 2, 2000

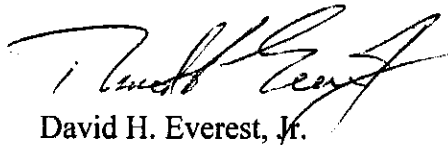
As to service, the UP and SP merger demonstrated that merging two railroads is not a simple task. As the STB is aware, the management of the merged UP-SP railroad was unable to provide acceptable service. The log-jamb forced the STB to intervene on behalf of shippers and end users. In fact, to facilitate this integration, eastern railroad equipment was used to facilitate the combination of the UP-SP integration. Furthermore, both CSX and NS claimed the ability to integrate Conrail through a seamless transition; however, they were also unable to succeed.

As to the loss of business and jobs, the Appalachian coal fields have always competed on an international basis. However, our foreign coal sales have continuously decreased in each of the last three (3) years, primarily due to the devaluation of various foreign currencies, which, in essence, permits another country to sell coal cheaper (as compared to US dollars). If the BNSF-CN merger is completed, it will permit Canadian coal an immediate advantage in competing with US production. Although we do not mind arms-length competition, the devaluation of the Canadian currency versus the US currency will result in Canadian coal being sold for approximately 80 cents on the US dollar. This will naturally result in loss of business and jobs by American producers, just as we have observed in other international markets. If this loss of jobs and business occurs, this will result in loss of revenues to American railroads, just as the drop in export coal shipments has resulted in such loss of revenue, jobs and business for the American railroads.

In light of the above, and the STB's understanding of our railroad system, we oppose the BNSF-CN merger. We believe the benefits are questionable at best. The events that occurred after the UP and SP merger and the acquisition of Conrail by NS and CSX show that the risks of such mergers outweigh the yet-to-be-obtained benefits. At best, the BNSF-CN merger should only be considered after the current railroad system has been restored to give shippers and consumers what they need – timely, efficient service – something the recent mergers have failed to provide.

Should you have any questions, please contact me at 540/889-6337 at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "David H. Everest, Jr.", written in a cursive style.

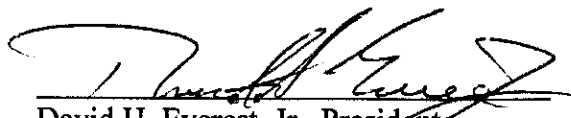
David H. Everest, Jr.

Honorable Vernon A. Williams

Page 3

March 2, 2000

I, David H. Everest, Jr., state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Pittston Coal Sales Corp., executed on March 2, 2000.



David H. Everest, Jr., President
Pittston Coal Sales Corp.